

**2013-2014 Fresh Fruit and Vegetable Program (FFVP)
Requirements Training Workshop**

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Section 1: Overview

- USDA FFVP Fact Sheet
- FFVP Participating Schools, School Year 2013-2014 (as of 8/1/2013; subject to change throughout grant period)
- FFVP Claim and Budget Due Dates for 2013-2014

FRESH FRUIT AND VEGETABLE PROGRAM

1. What is the Fresh Fruit and Vegetable Program?

The Fresh Fruit and Vegetable Program (FFVP) is a federally assisted program providing free fresh fruits and vegetables to students in participating elementary schools during the school day.

The goal of the FFVP is to improve children's overall diet and create healthier eating habits to impact their present and future health. The FFVP will help schools create healthier school environments by providing healthier food choices; expanding the variety of fruits and vegetables children experience; and increasing children's fruit and vegetable consumption.

2. When did the FFVP become a national program?

The FFVP began as the Fresh Fruit and Vegetable Pilot Program, authorized by Congress under the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) in a limited number of States and schools. The purpose of the pilot was to identify best practices for increasing fresh fruit and vegetable consumption among students, and to determine the feasibility and students' interest.

In 2008 the Food, Conservation and Energy Act of 2008 established the FFVP as a permanent program and also expanded the FFVP nationwide to all 50 States, the District of Columbia, and the territories of Guam, Puerto Rico and the Virgin Islands. The Food, Conservation, and Energy Act of 2008 (P.L. 110-234) amended the National School Lunch Act (NSLA) by adding section 19, the Fresh Fruit and Vegetable Program, and substantially increased the funding level.

3. Who may participate in the Fresh Fruit and Vegetable Program?

The 50 States, District of Columbia, and the territories of Guam, Puerto Rico and Virgin Islands may participate. The FFVP is targeted to elementary schools with the highest free and reduced price enrollment.

4. Who administers the Program?

The Food and Nutrition Service (FNS) that administers all the Child Nutrition Programs at the Federal level also administers the FFVP. At the State level, the FFVP is usually administered by the State education agency, which operates the program through agreements with school food authorities (SFA).

5. How does the Fresh Fruit and Vegetable Program work?

Elementary schools participating in the program receive between \$50.00 - \$75.00 per student for the school year. The State agency decides the per-student funding amount based on total funds allocated to the State and the enrollment of applicant schools.

With these funds, schools purchase additional fresh fruits and vegetables to serve free to students during the school day. They must be served outside of the normal time frames for the National School Lunch (NSLP) and School Breakfast Program (SBP). The State agency or SFA determines the best method to obtain and serve the additional fresh produce.

Schools participating in the FFVP submit monthly claims for reimbursement which are reviewed by the SFA before payment is processed to the State agency. Schools are reimbursed for the cost of fresh fruits and vegetables and limited non-food costs. Schools must follow all food safety requirements and HACCP guidance.

6. What are the Program requirements for eligible elementary schools?

Schools have the flexibility to develop their own implementation plan, choose the type of produce, number of days a week (FNS strongly encourages schools, whenever feasible, to offer the FFVP no less than 2 days a week)and times during the day (outside of NSLP and SBP operation) to provide free fresh fruits and vegetables to their students. Eligible elementary schools must submit an application that includes:

- the total number of enrolled students and the percentage eligible for free/reduced price meals;
- a certification of support for participation in the FFVP signed by the school food manager, school principal and the district superintendent (or equivalent position)
- a program implementation plan including efforts to integrate the FFVP with other efforts to either promote sound health and nutrition.

Schools are also encouraged to develop partnerships to help implement the program, such as with local universities, extension services and local grocers. Schools must also agree to widely publicize the availability of the program.

7. How do schools purchase fruits and vegetables for the Program?

Schools may purchase their fruits and vegetables through the same system they make purchases for the NSLP and SBP. They may acquire produce through the DOD Fresh program, or they may purchase locally. In all cases, schools must follow proper procurement procedures and produce must be purchased according to existing local, State and Federal guidelines.

8. How is the program funded?

Congress established the funding amount and cycle for the FFVP as follows:

October 1, 2008: \$40 million

July 1, 2009: \$65 million

July 1, 2010: \$101 million

July 1, 2011: \$150 million

July 1, 2012: \$150 million*

*Beginning school year 2012/2013, the base funding made available for the FFVP is adjusted to reflect changes for the 12-month period ending the preceding April 30 in the Consumer Price Index. In addition, this is combined with prior year funds. As such, the total funding for the FFVP in school year 2012/2013 is \$163.5 million. Funding amounts in all subsequent years will also reflect these adjustments.

The funding level per state is determined through a formula allocation as described in the NSLA and provided through the States' Letter of Credit.

August 2012

Fresh Fruit and Vegetable Program 2013-2014 Important Budget and Claim Dates

2013-2014 School Year	1st Allocation	2nd Allocation
Project Beginning Date (approximate)	7/1/2013	10/1/2013
Project Ending Date	9/30/2013	6/30/2014
Final Obligation Date	9/30/2013	6/30/2014
Reimbursement Claims	No later than 60 days following end of claiming month (see page 2 for claim due dates)	No later than 60 days following end of claiming month (see page 2 for claim due dates)
Justification of Large Purchase Form due December 1, 2013		

FFVP Contact: Adrienne Davenport – davenporta1@michigan.gov or 517-241-1762

Fresh Fruit and Vegetable Program 2013-2014 Monthly Claim Due Dates

Deadlines for Claim Submission	Claims are preferred within 10 days after the end of the claim month. If claims are submitted more than 60 days after the end of the month for which you are claiming, reimbursement cannot be guaranteed. A late claim exception request has to be submitted and approved. Such exceptions are granted only in limited situations.	
Claim Month	Due Date	Final 60 Day Deadline
July 2013	August 10	September 29, 2013
August 2013	September 10	October 30, 2013
September 2013	October 10	November 29, 2013
October 2013	November 10	December 30, 2013
November 2013	December 10	January 29, 2014
December 2013	January 10	March 1, 2014
January 2014	February 10	March 31, 2014
February 2014	March 10	April 29, 2014
March 2014	April 10	May 30, 2014
April 2014	May 10	June 29, 2014
May 2014	June 10	July 30, 2014
June 2014	July 10	August 29, 2014

*****Late claims will likely not be eligible for reimbursement*****

Section 2: Procurement

- Procurement Guidance
 - MDE Administrative Policy No. 6 SY 2012-2013
- Geographic Preferences in Procurement
 - USDA Memo SP-03-2013
 - USDA Memo SP-18-2011
 - USDA Memo SP-01-2010
- FFVP Fees in Food Service Management Contracts
 - USDA Memo SP-33-2012
- School Gardens
 - USDA Memo SP-32-2009



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FOOD SERVICE

ADMINISTRATIVE POLICY NO. 6
SCHOOL YEAR 2012-2013

SUBJECT: Guidance on Procurement Procedures for United States Department of Agriculture (USDA) Child Nutrition Programs

DATE: October 22, 2012 Replaces Previous Version of Administrative Policy No. 4 School Year 2011-2012

As a result of recent United States Department of Agriculture (USDA) memoranda and recent legislation passed in Michigan, procurement procedures have been modified. The purpose of this memorandum is to (1) describe the required threshold for the purchase of **food, services, and/or supplies** (non-food items) used in USDA Child Nutrition Programs and funded by a non-profit food service account, and (2) provide specific guidelines and procurement methods (formal and informal) applicable to all participants in the Child Nutrition Programs for the purchase of food, services, and/or supplies.

All participants in the Child Nutrition Programs, including public schools, public school academies, intermediate school districts, non-public schools, and non-school institutions¹ are required to obtain competitive bids (formal purchase method defined later in this guidance) for procuring **food and/or services** purchased in a single transaction² if the purchase is **\$150,000** or more. This is referred to as the small purchase threshold. However, a school's board of education or an institution's board of directors can set small purchase thresholds lower than \$150,000 for food and/or services. Participants must use a lower, more restrictive threshold if their respective organizational thresholds are set at a lower amount as indicated in the agencies' adopted policies. All participants in the Child Nutrition Programs must have policies in place regarding procurement, and all transactions must be conducted as outlined in these policies.

In addition, non-public schools and non-school institutions are required to obtain competitive bids for procuring **supplies** (non-food items) purchased in a single transaction if the purchase is \$150,000 or more. However, school boards or boards of directors can set thresholds lower than \$150,000 for supplies and the lower threshold must be used.

¹ Non-school institutions are non-profit and for-profit institutions, local government agencies, and community service agencies.

² Single transaction is a single purchase order or contract.

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The small purchase threshold for the purchase of supplies (non-food items) is lower for public schools, public school academies, and intermediate school districts. Schools are required to obtain competitive bids for purchasing **supplies** (non-food items) purchased in a single transaction if the purchase is **\$22,386** or more. However, school boards can set thresholds lower than \$22,386 for supplies. The lower threshold must be used in these situations. This base amount, or threshold, is for the 2012-2013 school year. It is set by Michigan legislation and is adjusted annually. The Michigan Department of Education communicates changes to this base amount on an annual basis to all affected schools.

In order to assist participants in the Child Nutrition Programs in determining which method of procurement, formal or informal, to use, a flow chart is attached. The chart is divided into two sections: one for the purchase of **Food and/or Services**, and one for the purchase of **Supplies (Non-Food Items)**. Note that all participants follow the same thresholds for **Food and/or Services**. However, thresholds for **Supplies (Non-Food Items)** vary by type of organization.

As the flow chart indicates, there are two types of procurement methods that all participants in the Child Nutrition Programs must use when purchasing food, services, and/or supplies (non-food items): formal or informal.

Formal Procurement procedures are used to purchase food or services when the single transaction cost exceeds the small purchase threshold. Schools and non-school institutions must use a competitive process by issuing an Invitation for Bid (IFB) or a Request for Proposal (RFP) for any procurement over the small purchase threshold. Both must be formally advertised and contain reasonable bid specifications.

- Invitation for Bid, also called a sealed bid, is a formal competitive procurement procedure used to publicly solicit bids for securing food, services, and/or supplies that cost more than the small purchase threshold. A firm fixed price contract is awarded to the responsible bidder whose bid conforms to all of the material terms and conditions of the Invitation for Bid and is the lowest in price.
- Request for Proposal, also called a competitive proposal, is a procedure conducted where more than one source submits an offer for securing food, services, and/or supplies; that costs more than the small purchase threshold; and where either a fixed price or cost reimbursable contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

Informal Procurement procedures are used when the purchase of food, services, and/or supplies from a supplier (wholesaler, retailer, and/or vendor) for a single transaction is less than the small purchase threshold. The school and non-school institution must contact at least three known suppliers of the food, services, and/or supplies needed and obtain competitive price quotations. Bid quotes obtained by telephone should be followed up with a written document or communication from the vendor confirming items and prices discussed. **It is highly recommended that bid quotes be obtained in writing.** The negotiation of prices and terms with one or more of the suppliers contacted is permitted. All information and prices discussed must be documented in the program's procurement files.

Schools and non-school institutions must ensure that all suppliers receive the same information about the food, services, and/or supplies. To the extent possible, a comparison should be made of equivalent food, services, and/or supplies, and all suppliers should be informed of any special need that could affect the price. An example of a special need would be the delivery of the product to a specific building or kitchen. A sample procurement log and instructions for completing this log are provided to facilitate documentation of purchases using the informal procurement process by the school or non-school institution. (Refer to attachment – Instructions for Completing Informal Procurement Log.)

Informal and formal procurement must be done to assure compliance with all applicable federal regulations and guidance, including:

- A standard of conduct.
- Open and full competition.
- Equal employment opportunity.
- Any price adjustments allowed for changes in the base price of a product are validated using standards (Consumer Price Index, Market Basket, etc.) specified in the bid. It should be noted that methods allowing "cost plus a percentage of cost" or "cost plus percentage of income" are not allowed.
- Procedures are properly documented and all documentation is kept for three years after the close of the fiscal year or as long as there are unresolved audit findings or investigations related to those records.
- Bid specifications do not limit supplier companies' operation or structure based on geographic preference. However, the purchase of unprocessed, locally grown and locally raised agricultural products is exempt from the geographic preference requirement.
- Any person that develops specifications, requirements, statements of work, invitations for bid, requests for proposals, contract terms and conditions, or other documents is excluded from competing for contract awards resulting from that procurement.

Questions regarding this memo may be directed to 517-373-8642.

Attachments: Procurement Procedures Flow Chart
Instructions for Completing Informal Procurement Log
Informal Procurement Log

Procurement Procedures Flow Chart

FOOD and/or SERVICES *		SUPPLIES (NON-FOOD ITEMS)			
Public Schools, Public School Academies, Intermediate School Districts, Non-Public Schools, and Non-School Institutions		Non-Public Schools and Non-School Institutions		Public Schools, Public School Academies, and Intermediate School Districts	
↓		↓		↓	
If purchase by single transaction is:		If purchase by single transaction is:		If purchase by single transaction is:	
Less than \$150,000, use informal method	\$150,000 or more, use formal method	Less than \$150,000, use informal method	\$150,000 or more, use formal method	Less than \$22,386, use informal method	\$22,386 or more, use formal method
↓	↓	↓	↓	↓	↓
Contact three (3) known suppliers and document price quotes	Determine bid specifications	Contact three (3) known suppliers and document price quotes	Determine bid specifications	Contact three (3) known suppliers and document price quotes	Determine bid specifications
↓	↓	↓	↓	↓	↓
Complete "Informal Procurement Log"	Advertise	Complete "Informal Procurement Log"	Advertise	Complete "Informal Procurement Log"	Advertise
↓	↓	↓	↓	↓	↓
Select and notify suppliers according to informal procurement procedures in the agency's policy.	Issue Invitation For Bid (IFB) or Request For Proposal (RFP)	Select and notify suppliers according to informal procurement procedures in the agency's policy	Issue Invitation For Bid (IFB) or Request For Proposal (RFP)	Select and notify suppliers according to informal procurement procedures in the agency's policy	Issue Invitation For Bid (IFB) or Request For Proposal (RFP)
	↓		↓		↓
	Award contract according to pre-determined criteria		Award contract according to pre-determined criteria		Award contract according to pre-determined criteria

*For the procurement of a food service management company or vendored meal contracts, School Food Authorities are required to notify Michigan Department of Education before beginning formal and informal procurement, to obtain prior written approval before issuing Request For Proposal or Request For Quotation, and prior to executing final contracts.

Instructions for Completing Informal Procurement Log

The Informal Procurement Log is to be used to document all competitive price quotations during the informal procurement procedure. The institution must contact at least three known suppliers of the food, services, and/or supplies needed and obtain competitive price quotations. The negotiation of prices and terms with one or more of the suppliers contacted is permitted. All information and prices discussed **should be followed up with a written document or communication from the vendor in writing.** Institutions must ensure that all potential vendors receive the same information about the food, services, and/or supplies required. **It is not permissible for the institution to split a purchase into smaller units or subgroups for the purpose of avoiding the formal procurement process.** Procurement records must be kept for three years after the close of the fiscal year.

Attached to this document is an "Informal Procurement Log" that may be used or may guide you in developing your own form. Below is a sample of how this form can be used.

Items to be Purchased	Quantity Expected to Buy	Vendor #1: XYZ Company		Vendor #2: ABC Company		Vendor #3: LMN Company	
		Unit Price	Extended Price (Quantity x Unit Price)	Unit Price	Extended Price (Quantity x Unit Price)	Unit Price	Extended Price (Quantity x Unit Price)
Peaches, diced 6/10 cans	25 cs	\$20.19	\$504.75	\$18.87	\$471.75	\$22.40	\$560.00
Pears, sliced 6/10 cans	10 cs	\$20.94	\$209.40	\$23.01	\$230.10	\$23.26	\$232.60
Pineapple, chunks 6/10 cans	15 cs	\$25.98	\$389.70	\$28.03	\$420.45	\$24.89	\$373.35
Total			\$1,103.85		\$1,122.30		\$1,165.95
Vendor Selected		<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>	
Date and Method of Contact		September 27 Faxed in price quotes (Quote sheets must be attached)		September 28 Price given per phone. Will confirm in writing		September 28 Visited store and obtained prices. (Price sheets must be attached)	
Additional Notes:		Best price but will need to drive 15 miles to pick up product. Estimate that this will raise costs by 10%, making this a more costly alternative than Vendor #2		Slightly higher price, but 5 minute drives from site.			
Signature of person completing this form: <i>Ima Sample</i>				Date: <i>09/30/12</i>			

Although this example only compares three items, school and non-school institutions are expected to compare all the food, services, and/or supplies, they plan to purchase.

INFORMAL PROCUREMENT LOG

Items to be Purchased	Quantity Expected to Buy	Vendor #1		Vendor #2		Vendor #3	
		Unit Price	Extended Price (Quantity x Unit Price)	Unit Price	Extended Price (Quantity x Unit Price)	Unit Price	Extended Price (Quantity x Unit Price)
TOTAL			\$		\$		\$
Vendor Selected		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
Date and Method of Contact							
Additional Notes:							
Signature of person completing this form:						Date:	



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: October 9, 2012

MEMO CODE: SP 03-2013, CACFP 02-2013, SFSP 02-2013

SUBJECT: Procurement Geographic Preference Q&As – Part II

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The purpose of this memorandum is to address recent inquiries on the application of the geographic preference option in the procurement of unprocessed locally grown or raised agricultural products. This memorandum provides additional guidance and technical assistance to memorandum SP 18-2011, Procurement Geographic Preference Q&As, which was issued on February 1, 2011 and CACFP 09-2008, SFSP 08-2008 issued July 3, 2008. For a copy of these memoranda, please visit

<http://www.fns.usda.gov/cnd/Governance/Policy-Memos>.

State agencies are encouraged to share these Q&As with their counterparts at other State Departments (e.g., Department of Agriculture or Department of Health) that are involved in local or regional procurement, or other farm to school activities.

Original Signed

Cynthia Long
Director
Child Nutrition Division

Attachment

Procurement Threshold

Q1: Has the small purchase threshold been changed from \$100,000 to \$150,000?

A: Yes, the federal small purchase threshold has been changed to \$150,000. The Federal Office of Management and Budget (OMB) will publish federal regulations for review and comment by the general public later this year. Pursuant to U.S. Department of Agriculture regulations at 7 CFR Part 3016.36(d), at this time, the new federal small purchase threshold of \$150,000 may be used for Child Nutrition Program procurements. State and local agencies may set a lower small purchase threshold and thereby impose more restrictive procurement procedures as authorized by 7 CFR §3016.36(a), §3016.37(a), and §3016.60(a). Therefore, all State and local procurement requirements still apply.

Geographic Preference

Q2: May a State mandate or otherwise require that a school food authority (SFA)/institution/sponsor **cannot** use the geographic preference procurement option?

A: No. Any SFA/ institution/sponsor participating in the Federal CNPs has the option to apply a geographic preference when procuring unprocessed, locally grown or raised agricultural products. States may not prohibit use of the geographic preference procurement option.

As noted in the initial implementing memorandum, SP 30-2008, Applying Geographic Preferences in Procurements for the Child Nutrition Programs, “[t]he institution responsible for the procurement has the discretion to determine whether and how a geographic preference meets its needs.” This is also further outlined in the final rule, Geographic Preference Option for the Procurement of Unprocessed Agricultural Products in Child Nutrition Programs (<http://www.fns.usda.gov/cnd/Governance/regulations/2011-04-22.pdf>).

Q3: May a State or other local government entity require the use of a specific definition for local when applying the geographic preference procurement option?

A: No. As noted above, and stated in Q12 of Policy Memorandum SP 18-2011, the geographic preference regulation states that only the SFA, or State agency (SA) making purchases on behalf of the SFA, can determine the definition of local. Thus, any attempted restriction to make decisions regarding how to define local for purposes of the geographic preference procurement option would be inconsistent with Federal law and unallowable.

We understand that many state and/or local governments have adopted buy local programs that may include definitions of local such as “within the state” or “within the county.” An SFA/institution/sponsor electing to use its federally conferred option to indicate a geographic preference when sourcing food for the meal program is **under no obligation** to adopt any definition for local that might be in existence in its local area.

An SFA/institution/sponsor operating in a state with state laws designed to encourage buying of products grown within the state may **elect** to use a “within the state” definition, but again, is **under no obligation** to do so. The choice of which definition to use, if any at all, rests solely with

the entity making purchases. The choice by an entity or SA undertaking procurement on behalf of one or more entities has primacy.

Q4: My state has “buy within the state” legislation. I understand I can define local on my own terms for purposes of procuring unprocessed locally grown or raised agricultural products. My location is on the state border and thus I typically buy products from the neighboring state and consider those products to be local. I would like to honor the state preference for products grown within the state, while also giving preference to the products that are local in my area. How might I do this?

A: There are a variety of options which may be explored. One consideration is the use of a tiered approach in a procurement preference - for instance, awarding 5 extra points to vendors with products grown within the state, while awarding 8 extra points to vendors with products grown within 150 miles.

Q5: I know the geographic preference rule does not mandate a specific definition for local but, are some methods better than others?

A: No. There is no one best method. Politically defined areas such as “within the county” or “within the state” may be used. Also, a definition of local may include more than one state (i.e., Georgia, Alabama, and Florida) or discrete parts of several states (i.e., specific counties in southwest Washington, specific counties in northeast Oregon, and specific counties in Idaho). Furthermore, local may be defined using a mileage range such as “within 150 miles” or “within 400 miles” of a specified location. Regardless of which definition is used, ensure that the definition of local does not restrict free and open competition in such a way that only one or two respondents meet the definition.

Q6: Is there one best method of providing preference (i.e., advantage) to meet a geographic preference definition?

A: No. The regulations are not prescriptive. For example, a point system, percentage based system, or a different system may be used. There is no set method. The solicitation must clearly define and describe the evaluation criteria of award to be used and then ensure the method does not unreasonably limit free and open competition. If questions arise about methodology, contact the FNS Regional Office.

Q7: What is considered an unreasonable limit on competition?

A: An unreasonable limit on competition is one which has an adverse impact on or restricts free and open competition. It limits the ability of an SFA/institution/sponsor, or SA acting on its behalf, to procure the best products for use in the CNPs. For example, indicating a preference for products grown within 5 miles when only one farm meets that definition, would be considered an unreasonable limit on competition. However, if 100 farms meet that definition, the preference would not result in an unreasonable limit on competition. The entity or SA acting on its behalf, has to use their best judgment.

Q8: Can USDA provide a list of the types of products to which a geographic preference can be applied?

A: Geographic preference can be applied to a wide array of products provided those products meet the definition of unprocessed or minimally processed at 7 CFR Part 210.21 (g)(2).

Allowable products include, but are not limited to:

- Fruits;
- Vegetables;
- Meats (Including fresh or unprocessed frozen products and formed products, such as patties, that contain no additives or fillers.);
- Fish (Including whole, form, filets or nuggets that contain no additives or fillers.);
- Poultry (Including whole, form, or various cuts.);
- Dairy (Please note that while unflavored fluid milk is allowed, flavored milk or any processed dairy products such as yogurt, cheeses, etc. is not allowed.);
- Eggs; and
- Grains (Including quinoa, rice, barley, etc. in whole form and other grains in ground form such as flour.)

Q9: How would an SFA/institution/sponsor determine if milk is considered “local”?

A: The final rule on geographic preference speaks to locally grown and raised agricultural products, which means that a farm animal must be raised locally and fruits and vegetables must be grown locally. With respect to milk, “local” milk must be from dairy cows that are milked and reside in the “local” geographic area. “Local” may also be defined to mean that pasteurization must take place locally. (Please note that the geographic preference rule does not apply to fluid milk products that contain additives, such as chocolate or strawberry flavored milks, nor any processed dairy products such as cheese, yogurt, etc.)

Q10: How would an SFA/institution/sponsor determine if meat products are considered “local”?

A: The geographic preference procurement option may state that farm animals need to be raised in a certain geographic area. (Please note that the geographic preference rule does not apply to any meat products that have been cooked, heated, canned or that have any additives. It does apply to fresh and frozen meats, ground meats, and even formed meat patties provided there are no additives in any of these meat products.)

Q11: How would an SFA/institution/sponsor determine if fish products are considered “local”?

A: The geographic preference procurement option may state that fish need to be caught or, in the case of aquaculture, raised in a certain geographic area. (Please note that the geographic preference rule does not apply to any seafood products that have been cooked, heated, canned or that have any additives. It does apply to fresh and frozen fish, including fish filets.)

Q12: I understand that the definition of unprocessed and minimally processed excludes value-added items such as chili, salsa, and soup but can the geographic preference procurement option help me in finding local sources of these items?

A: The geographic preference procurement option can be used in sourcing the raw ingredients. An SFA/institution/sponsor, or SA acting on its behalf, could use the geographic preference procurement option, for example, to procure local tomatoes and onions for tomato sauce. The entity could make the tomato sauce itself or it could procure a processor that would use the items the SFA/institution/sponsor sourced locally to make the tomato sauce. The geographic preference procurement option may not be used when selecting a vendor to process the locally sourced items. However, an SFA/institution/sponsor, or SA acting on its behalf, may use a competitive procurement and include in its solicitation documents a requirement that the processor use only the raw ingredients provided (i.e., the local ones procured using the geographic preference procurement option).

Q13: If an SFA/institution/sponsor, or SA acting on its behalf, goes through the formal procurement process (i.e., procurement valued over the Federal, State or local small purchase threshold), can the contract be awarded to a farmer that did not respond to the solicitation, if the cost of certain products from that farmer is lower?

A: No. In the situation described above, the entity conducted the formal procurement process and the farmer did not respond to the formal solicitation; therefore, the bid cannot be awarded to a nonresponsive bidder/farmer who did not participate in the competition. Scoring of bids/proposals must be based on the solicitation issued and the responses received. The contract must be awarded to the winning bidder/respondent which allows the direct purchase from that entity.

Q14: Does FNS have a prototype solicitation or contract specifically created for the procurement of unprocessed locally grown or raised agricultural products?

A: No. Because State procurement requirements can be more restrictive than Federal procurement requirements, and often vary from State to State, prototypes are generally developed at the SA level. (Note: While it is the case that SFAs/institutions/sponsors will need to follow their State procurement requirements in addition to Federal procurement requirements, as noted above, there is no situation in which State laws or regulations may dictate how local is defined for purposes of procuring locally grown and raised agricultural products.)

Q15: If an SFA/institution/sponsor, or SA acting on its behalf, awards a main produce contract, can the entity reserve the right to do individual competitive procurement of certain local, seasonal produce items?

A: Yes, as long as the entity issues a solicitation and executes a main produce contract that reserves such a right. The entity needs to think through issues of this nature prior to issuing a solicitation for a main produce distributor. A review of USDA's web-based procurement training available online through the University of Mississippi's National Food Service Management Institute (NFSMI) is advised. A direct link to the training can be found at <http://www.nfsmi.org/Templates/TemplateDefault.aspx?qs=cE1EPTEzNQ>. *State Agency Guidance on Procurement*, Topic 1 and 2, are currently available for free to the public and provide general information on drafting solicitations and contracts.

Q16: I'd like to support small farmers. Is it appropriate to divide a procurement into smaller quantities in order to allow participation by small, minority, or women-owned farms?

A: Yes, per USDA regulations at 7 CFR Part 3016.36(e)(iii).

Q17: What is the role of a procurement agent in the application of the geographic preference procurement option?

A: An SFA/institution/sponsor may procure the services of an entity to act as a procurement agent to purchase food and other products used in the CNPs on behalf of the entity. The procurement agent is required by Federal regulations to include in the solicitation and resulting contract a clear statement requiring the procurement agent to follow all Federal procurement regulations. The procurement agent would apply the geographic preference procurement option in the same manner as the SFA/institution/sponsor.

Q18: Can an SFA/institution/sponsor enter into forward contracts with local producers in advance of the season?

A: A forward contract is generally understood to involve a contract between two parties to buy or sell products at a specified time in the future at a price agreed upon today. Entering into a forward contract with local producers in advance of the season may pose risk as farmers may experience crop loss due to outside elements such as weather or infestation. An SFA/institution/sponsor is the steward of the nonprofit school food service account, and must ensure that all costs are reasonable, necessary, and allocable. Thus, careful consideration must be given to such contracts and the potential risk weighed against the benefit. Additionally, the entity needs to ensure that the farmer is capable of providing substitutions that are meaningful in the event of crop failure and to incorporate language into the contract affording meaningful substitutions or a return on the original financial investment.

Q19: Can an SFA/institution/sponsor participate in a Community Supported Agriculture program (CSA)? For example: A contract with a local farm pays \$2,000 for produce in advance in the early spring when the farmer needs the "seed money." By paying in advance, the entity shares in the harvest all season, but also shares the risks of bad weather, oversupply or crop failure with the farmer.

A: Yes, there may be instances where participation in a CSA program is reasonable; however, in general FNS does not recommend such. Pursuant to Federal regulations, an entity is the steward of the nonprofit food service account and must ensure that all costs charged are reasonable, necessary, and allocable for CNP purposes. Participating in a CSA may not be a prudent or reasonable way of spending these limited funds given there is often no guarantee that benefit will be derived from the expenditure (i.e., there may be a crop loss). Additionally, in a CSA model, there is no guarantee the funds provided to the CSA/farmer will generate the desired quantity needed to service the CNPs or justify the cost. In addition, due to the nature of a CSA (i.e., contributions are made prior to harvest and there is no guarantee of the desired product at the desired quantity), it would be difficult to compare bidders to written specifications under both formal and informal procurement methods.

Q20: Can an SFA/institution/sponsor issue a solicitation that includes specifications related to qualitative factors (i.e., freshness, ripeness, time elapsed between harvest and delivery, etc.) in addition to preferences related to geographic location?

A: Yes, specifications may be written for a wide variety of qualitative factors designed to complement a preference for local products. These factors could be provided as either required specifications or preferred specifications. These factors may include, but are not limited to:

- Freshness;
- Ripeness; and
- Time elapsed between harvest and delivery.

The entity will need to determine whether specifications of this nature unreasonably limit competition. Before issuing a solicitation, the entity should do proper forecasting which involves a survey of the market. This will help the entity determine if specifications of this nature unreasonably limit competition prior to issuing a solicitation.

Q21: Can an SFA/institution/sponsor issue a solicitation that includes specifications related to agricultural practices, (i.e., organic or no-spray) and preferences related to geographic location?

A: Product practices can be included as specifications as long as doing such does not unnecessarily limit competition. However, geographic preference may not be provided to such specifications as they are not geographic in nature, rather they are attributes of a product.

Q22: Can an SFA/institution/sponsor, or SA acting on its behalf, utilize the geographic preference procurement option when using the informal procurement method (i.e., procurement valued under the Federal, State or local small purchase threshold)?

A: Yes, however, the entity must clearly describe the manner in which the geographic preference will be applied within the written specifications.

Q23: Can an SFA/institution/sponsor procure unprocessed locally grown or raised products at a farmers market?

A: An entity may generally be able to procure unprocessed locally grown or raised products at a farmers market through the informal procurement method (i.e., procurement valued under the Federal, State or local small purchase threshold). Though procurements conducted using the federal small purchase threshold follow a less rigorous process than the formal methods of sealed bidding or competitive negotiation, competition is still required. The entity must draft specifications in writing and ensure that the sources it contacts, including a vendor at the farmers market, provide the type of products described in the specifications in the specified quantity. For example, the entity may compare three sources at the farmers market for cherry tomatoes or contact two sources outside of the farmers market for cherry tomatoes and then compare source(s) at the farmers market providing the same product as described within the written product specifications.

Q24: Can an SFA/institution/sponsor use market reports to obtain quotes in an informal procurement?

A: No. While market reports may be used as a guide to determine if a bidder is selling their agriculture product at a fair price, these reports do not assure a quoted price or volume from a particular bidder and, therefore, may not be used as a method for satisfying the informal procurement requirements. Please refer to the Procurement FAQs on the Farm to School website for additional information on informal procurements (www.fns.usda.gov/cnd/f2s/faqs_procurement.htm)



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: February 1, 2011

MEMO CODE: SP_18 - 2011

SUBJECT: Procurement Geographic Preference Q&As

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

In light of recent Farm to School efforts to connect schools with local or regional farmers and the need for guidance and technical assistance on the State and local levels, we have created Q&As to further explain the geographic preference option. The purpose of this memorandum is to provide Q&As on the application of the geographic preference option in procurement of unprocessed locally grown or locally raised agricultural products.

We encourage State agencies to share these Q&As with their counterparts at other State Departments (e.g., Department of Agriculture or Department of Health) that are involved in Farm to School activities.

Original Signed

Cynthia Long
Director
Child Nutrition Division

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Geographic Preference

Applying Geographic Preference

Q1: The 2008 Farm Bill amended the Richard B. Russell National School Lunch Act (NSLA) to direct the Secretary of Agriculture to encourage institutions operating Child Nutrition Programs to purchase unprocessed locally grown and locally raised agricultural products. Does USDA define the geographic area that is considered to be local?

A: No, USDA does not define the geographic area that is considered to be local; the decision is left to the purchasing institution, such as a school food authority (SFA) making the purchase or the State agency (SA) making purchases on behalf of SFAs. In other words, the purchasing institutions, such as SAs, SFAs, child care institutions and Summer Food Service Program (SFSP) sponsors, may specifically identify the geographic area within which unprocessed locally raised and locally grown agricultural products will originate. The purchasing institution must not define local in a manner that unnecessarily restricts free and open competition.

Q2: Does the geographic preference option for the procurement of unprocessed agricultural products apply to all Federal Child Nutrition Programs?

A: Institutions receiving funds through the Federal Child Nutrition Programs may apply an optional geographic preference in procurement of unprocessed locally grown or locally raised agricultural products, including the National School Lunch Program (NSLP), School Breakfast Program (SBP), Fresh Fruit and Vegetable Program (FFVP), Special Milk Program (SMP), Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP).

Q3: Can an SFA issue a solicitation that states, “We will only accept locally grown agricultural products from a State”?

A: No, the Federal laws allow institutions receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring locally grown or locally raised agricultural products, as noted in the preamble of the geographic preference rule. The exclusion of all non-locally grown agricultural products is not a preference but rather a requirement of bidding and therefore is overly restrictive.

Q4: An SFA defined “local” as the entire State and issued a Request for Proposal (RFP). Can the SFA give a bidder geographic preference points if the bidder is incorporated outside of the State with its principal place of business outside of the State?

A: Yes, geographic preference in a procurement does not preclude a bidder from outside the specified geographic area from competing for, and possibly being awarded, the contract subject to geographic preference. The geographic preference applies to the unprocessed locally grown and locally raised agricultural product; it is irrelevant whether the bidder’s business is incorporated or has a principal place of business in the State.

Q5: An SFA wants to issue an Invitation for Bid (IFB). How does an SFA incorporate geographic preference points into an IFB?

A: An IFB doesn’t generally include preference points; instead, an SFA determines who is responsive based on the solicitation, and then from the responsive bidders the SFA awards the contract to the bidder with the lowest price. Therefore, it may not be feasible to incorporate “points” into an IFB in the same way as is done with an RFP. However, an SFA could write in the specifications that, for example, an apple must have been picked within one day of delivery or must have been harvested within a certain time period.

Additionally, the solicitation document must clearly outline how all bids will be evaluated, including the application of geographic preference in the scoring criteria. The following is an example of one approach on how to incorporate geographic preference points in an IFB:

Geographic preference points in an IFB would be applied after the SFA determined the three bidders with the lowest price. The three bidders with the lowest price would be given a total of ten geographic preference points if those bidders met the geographic preference. In order to determine the winning bidder, the scoring criteria would clearly state that one point would equal one cent; in other words, ten points would translate into ten cents. If one or more of the responsive bidders with the lowest price met the geographic preference, ten cents would be taken off of their respective prices and that bidder could potentially win the bid. Note: Deducting ten cents from the prices of responsive bidders that met the geographic preference only applies to determining the winning bidder and would not affect the actual price paid to a bidder.

In the following example, Bidder 2 meets the geographic preference and is given ten points which translates into deducting ten cents from Bidder 2's price. In this example, Bidder 2 still doesn't win the bid because Bidder 1 has a lower price.

	Bidder 1	Bidder 2	Bidder 3
Price	\$1.97	\$2.10	\$2.03
Meets geographic preference?	No	Yes (10 points)	No
Price with preference points	\$1.97	\$2.00	\$2.03

Q6: An SFA would like to prescribe geographic preference as a percentage in their solicitation (IFB or RFP). For example, the SFA would like to give a ten percent price

preference to bidders offering unprocessed locally grown and locally raised agricultural products. Can an SFA prescribe geographic preference as a percentage in their solicitation?

A: Yes, an SFA may prescribe geographic preference in their solicitation in terms of actual percentage (e.g., ten percent price preference). Geographic preference can be prescribed in terms of points or percentages. The solicitation document must clearly outline the scoring criteria and the method in which the criteria will be evaluated.

Q7: How many geographic preference points can an SFA assign to geographic preference? What is the maximum price percentage an SFA can assign to geographic preference?

A: The Federal regulations do not prescribe the number of preference points or maximum price percentage an SFA can assign to geographic preference. Generally speaking, any price preference (prescribed as points or percentage) impacts free and open competition. However, geographic preference may have a greater or lesser impact on free and open competition depending on the characteristics of the market. The SFA's application of the geographic preference option must leave an appropriate number of qualified firms, given the nature and size of the procurement, to compete for the contract, as it is imperative that the SFA does not unnecessarily restrict free and open competition.

Q8: Can SFAs split up large purchases into smaller amounts and thereby fall under the small purchase threshold?

A: SFAs cannot intentionally split purchases in order to fall below the Federal, State, or local small purchase threshold in an effort to avoid more rigorous procurement practices. However, there may be some instances in which the characteristics of a product or market support the need to separate selected products from the overall food procurement. For example, milk and bread are commonly procured separately because there are fundamental differences between them and other food products, such as shorter shelf-life, specialized pricing mechanisms, and durability. Similarly, an SFA may find that fresh produce may be considered a

separate market given that it shares similar characteristics as bread and milk, and may want to separate this procurement from their overall food procurement.

Q9: An SFA would like to conduct a procurement under the small purchase threshold. Can the SFA procure unprocessed locally grown or locally raised agricultural products directly from a local farmer?

A: Yes; however, the procurement must be conducted in a manner that maximizes full and open competition. According to the Federal regulations, the SFA can conduct a procurement under the small purchase threshold if the procurement is under \$100,000 in value. States or localities may set a lower small purchase threshold and thereby impose more formal procedures. The SFAs should put the number, quality and type of goods in writing before contacting any potential offerors. When using the small purchase threshold, we recommend that at least three sources be contacted who are eligible, able and willing to provide the unprocessed locally grown or locally raised agricultural product. Contacting a minimum of three sources ensures that an adequate number of potential offerors will be afforded the opportunity to respond to the solicitation.

Q10: An SFA would like to conduct a procurement under the small purchase threshold. Can the SFA procure unprocessed locally grown or locally raised agricultural products directly from a teacher that works for one of the schools in the SFA's school district?

A: The procurement must be conducted in a manner that maximizes full and open competition. The Federal regulations prohibit an employee, officer or agent of the grantee or subgrantee (i.e., SA or SFA) to participate in the selection, award or administration of a contract if a conflict of interest, real or apparent, would be involved. A contract award to a teacher in an SFA's school district creates an appearance of impropriety and generates the question of whether or not free and open competition has been circumvented. Therefore, a conflict of interest, real or apparent, may be involved if a teacher that works for one of the schools in the SFA's school district is awarded a contract.

Q11: May an SFA give geographic preference to farmers in a neighboring country (i.e., Mexico or Canada) for foreign unprocessed agricultural products when procuring unprocessed locally grown or locally raised agricultural products?

A: An SFA must adhere to the Buy American clause which requires SFAs to purchase domestically grown foods to the maximum extent possible. An SFA may purchase foreign goods only if the two rare exceptions to the Buy American provision are met: (1) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; and (2) competitive bids reveal the costs of a U.S. product is significantly higher than the foreign product.

Q12: A State regulation requires State governmental entities to give geographic preference to local State farmers and prescribes a method on how geographic preference can be incorporated in the State governmental entities' solicitation. Is an SFA required to follow the State's regulation on geographic preference?

A: No. Under the principles of federalism, a State has the right to create a regulation of this nature; however, the application of the State's regulation to the Federal Child Nutrition Programs is an entirely different matter. Please keep in mind that States cannot mandate through law or policy that institutions apply a geographic preference when conducting procurements for the Federal Child Nutrition Programs, because the National School Lunch Act (NSLA) grants this authority directly to the purchasing institution (i.e., SFA or SA making purchases on behalf of the SFA).

Q13: Where does an SFA go to obtain help in developing bid sheets that use geographic preference? Does USDA have examples of solicitations that use geographic preference?

A: An SFA should start by contacting its SA for assistance in developing bid sheets and for examples of solicitations that use geographic preference. USDA is in the process of creating

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tools that will assist in this area. USDA has created an online training on procurement, *State Agency Guidance on Procurement*, that can be found at <http://www.nfsmi.org>. Additionally, the USDA Farm to School website (<http://www.fns.usda.gov/cnd/f2s/>) provides information on the procurement requirements, as well as Q&As directly related to local food purchases.

Unprocessed Agricultural Product

Q14: Can an SFA apply the geographic preference option in the procurement of ground beef?

A: As we stated in our policy memo dated November 13, 2009, we further amended the previous guidelines regarding what is to be considered to be unprocessed locally grown or locally raised agricultural products. In our view, for the purpose of applying a geographic procurement preference in the Child Nutrition Programs, unprocessed agricultural products means only those agricultural products that retain their inherent character. Size adjustment made by grinding does not change an agricultural product into a product of different kind or character. Therefore, an SFA can apply the geographic preference option in the procurement of ground beef if no other items such as additives or preservatives are added to the ground beef.

Q15: Can an SFA give geographic preference when procuring a frozen bag of combination local vegetables (e.g., broccoli, cauliflower and carrots) from a bidder?

A: Yes, the inherent character of the vegetables is retained and not modified by freezing or combining vegetables in a bag.

Q16: Can an SFA give geographic preference when procuring fresh local vegetables in portion sized or single serving bags (e.g., small bags of carrots) from a bidder?

A: Yes, the inherent character of the vegetables is retained and not modified by placing vegetables in portion sized or single serving bags.

Q17: Can an SFA give geographic preference when procuring canned local vegetables from a bidder?

A: No, the inherent character of the vegetables is not retained because the heating process involved in canning changes the agricultural product into a product of a different kind or character.



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

DATE: October 9, 2009

MEMO CODE: SP 01-2010 CACFP 01-2010 SFSP 01-2010

SUBJECT: Applying Geographic Preferences in Procurements for the Child Nutrition Programs - Updates

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memorandum updates and revises Memoranda SP 30-2008 *Applying Geographic Preferences in Procurements for the Child Nutrition Programs*, SP 08-2009 *Procurement Questions*, and SP 28-2009 *Procurement Questions*, regarding school food authorities' (SFAs) and other institutions' application of a geographic preference in procurements for the Child Nutrition Programs. Section 4302 of the Food, Conservation, and Energy Act of 2008, P.L. 110-246 (Farm Bill), amended section 9(j) of the Richard B. Russell National School Lunch Act (NSLA), 42 USC 1758(j), directing the Secretary of Agriculture to encourage institutions operating the Child Nutrition Programs to purchase unprocessed locally grown and locally raised agricultural products. In addition, the Farm Bill allows SFAs and other institutions receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring those unprocessed agricultural products.

As provided in the Joint Explanatory Statement of the Committee of Conference, the Managers used the term "unprocessed" to preclude the use of geographic preference for agricultural products that have significant value added components. The Managers do not intend to

preclude de minimis handling and preparation such as might be necessary to present an agricultural product to a school food authority in a useable form, such as washing vegetables, bagging greens, butchering livestock and poultry, pasteurizing milk, and putting eggs in a carton. (H.Rpt. 100-627)

In the above-referenced memorandum and question and answer communications, we provided initial guidance on the term "unprocessed" as it relates to the use of geographic preferences in procurements by SFAs and other service institutions, stating

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the *de minimis* handling and preparation anticipated by the Managers would not include chopped, cut, or diced products. As a result, we concluded that “geographic preference may not be applied to agricultural products that have been chopped, cut, sliced, or diced.”

However, after observing the impact of the interpretation of unprocessed during the past year we have determined that our initial guidance is unnecessarily restrictive and potentially prevents SFAs and service institutions from procuring unprocessed, locally grown products in a usable form. Accordingly, we are updating our initial guidance. Unprocessed agricultural products that have been chopped, cut, sliced, diced or shucked do meet the parameters of unprocessed as used in the Farm Bill. Therefore, SFAs and other service institutions may use a geographic preference when procuring those agricultural products. The relevant memorandum and question and answer communications will be revised accordingly and re-issued.

It is important to note that the Farm Bill does not permit the use of geographic preferences in SFAs and other service institutions’ procurement of agricultural products that have significant value added components. We will issue a proposed regulation early in Fiscal Year 2010 on the geographic preference provision.

Sincerely,

Original Signed

Cynthia Long
Director
Child Nutrition Division



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: May 31, 2012

MEMO CODE: SP 33-2012

SUBJECT: Fresh Fruit and Vegetable Program Fees in FSMC Contracts

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

This memo is written in response to a number of concerns brought to our attention by State agencies (SA) regarding school food authorities (SFA) in contracts with food service management companies (FSMC) that allow the FSMC to charge a fixed fee to the Fresh Fruit and Vegetable Program (FFVP).

As stated in the current FFVP Handbook, FFVP costs that may be charged to the FFVP grant are broken into two categories: administrative and operational. Operational costs are the primary costs of running the FFVP, including such costs as:

- purchase of fruits and vegetables, including the cost of pre-cut produce and delivery charges;
- non-food items or supplies that are used in serving and cleaning; and
- salaries and fringe benefits for employees engaged in preparing and distributing fresh fruits and vegetables, and in maintaining a sanitary environment.

Administrative costs, which currently cannot exceed 10% of the overall grant, are used principally to support planning and managing the program. It is important to note that most of a school's FFVP funds must be spent on purchasing fresh fruits and vegetables. This means that all non-food costs must be carefully reviewed and deemed reasonable, given the extent of program operations. Costs reported by the SFA for reimbursement from the grant must be allowable, actual costs, and fully documented. Labor costs, which must be minimal in either the "operating or administrative" category, must be reported by the SFA in a manner that clearly identifies the actual time allocated to the FFVP. Please refer to the FFVP Handbook and policy memoranda for more information on allowable costs and how to claim them.

Therefore, prior to executing a FFVP contract with a FSMC, the SFA must carefully assess all contractual provisions allowing the FSMC to charge costs other than actual costs of fresh fruits and vegetables. The purpose is to ensure adherence to the cost limitations placed on the FFVP (i.e., the requirement that administration costs not exceed 10% of the overall grant). It is recommended that the SFA assess each bid or proposal received from FSMCs

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in order to determine the allowability of the fixed fee component charged to the FFVP (or any other fees charged to the FFVP not related to the actual cost of the fresh fruits or vegetables). This type of careful review will help ensure that the resulting contract executed by a SFA adheres to FFVP requirements. Moreover, a SFA must ensure contracts with FSMCs require the FSMC to provide full documentation of allowable costs. This documentation must clearly outline the allocation of costs charged to the FFVP (i.e., amounts charged for labor, administrative fees, and actual costs of fresh fruits and vegetables, etc.). The SFA should then use this information provided by the FSMC as a basis for its reimbursement claim under the FFVP. If the FSMC is unable or unwilling to provide this information, the SFA has two choices: it must consider either running the FFVP separately from its existing FSMC contract; or, relinquishing its grant funding. Please note that if provisions are to be added to an existing FSMC contract, the amendment must be evaluated to determine if the change is material, or not.

In addition to our concerns about the information and documentation that a SFA must obtain from the FSMC in order to claim reimbursement from the State under the FFVP, we recommend SFAs that choose to have a FSMC run any aspect of the FFVP follow the guidance below. Thus, the SFA should:

- Provide assurance that the FSMC is completely apprised of all FFVP policies and rules to guarantee the program is operated in compliance with FNS standards;
- Regularly monitor FSMC operations to ensure compliance with relevant FFVP requirements and all provisions of the contract;
- Be able to identify in the solicitation document both the SFA's and FSMC's roles and responsibilities in the FFVP service;
- Include a provision in the request for proposal that requires FSMCs to submit a FFVP cycle menu based on FNS guidance (see next bullet) which could then be used in the scoring process to compare one FSMC's fixed fee to another;
- Although serving size is not required in the FFVP, SFAs may consider including "portion sizes" by referencing the *Fruits and Vegetables Galore Guidance*, the meal pattern, or the food buying guide. Incorporating additional guidelines helps ensure the SFA is taking its required active role in operating the FFVP and helps in creating a more level playing field for potential vendors; and,
- Include a provision in the solicitation that requires all FSMCs to document and track FFVP expenses separately and make this documentation easily accessible for the SFA to review.

If you have any questions regarding the contents of this memo, please contact your Regional Office.

Original Signed

Cynthia Long
Director
Child Nutrition Division



**United States
Department of
Agriculture**

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

MEMO CODE: SP 32-2009

DATE: July 29, 2009

SUBJECT: School Garden Q&As

TO: Regional Directors
Child Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Recently, we have received several questions regarding the operation of a school garden. Attached are questions and answers to address this issue. As in the past, please share this information with your school food authorities.

Original Signed

CYNTHIA LONG
Director
Child Nutrition Programs

Enclosure

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1. Q: Can the school food service use funds from the nonprofit school food service account to purchase seeds for a school garden?

A: Yes, with the understanding that the garden is used within the context of the program, i.e. selling the food or providing food in the classroom as part of an educational lesson.

2. Q: Can the school food service use funds from the nonprofit school food service account to purchase items for the school garden such as fertilizer, watering cans, rakes, etc.?

A: Yes, as long as the items are used for the purpose of starting and maintaining the garden.

3. Q: Can a school sell food grown in their school garden that was funded using the nonprofit school food service account?

A: Yes, as long as the revenue from the sale of the food accrues back to the nonprofit school food service account. Schools can serve the produce as part of a reimbursable meal or sell it a la carte, to parents, to PTA members, at a roadside stand, etc.

4. Q: Are there health/safety issues involved with school gardens?

A: Yes. SFAs need to familiarize themselves with the Federal, State, and local requirements regarding health and sanitation issues.

5. Q: Can the school food service purchase produce from another school organization that is maintaining and managing the garden, such as Future Farmers of America (FFA)?

A: Yes, the school food service may purchase produce from a garden run by a school organization such as FFA, which is an agricultural education program for students.

6. Q: Can funds received through the Fresh Fruits and Vegetables Program (FFVP) be used to purchase seeds/tools/equipment for a school garden?

A: No. FFVP funds may not be used for the purchase of any materials for school gardens.

7. Q: What if there is excess produce from the garden left over at the end of the school year?

A: The school should first see if the excess food can be used to benefit another program such as the SFSP. If that is not possible, they could try selling the food (as always, the profit must accrue back to the nonprofit school food service account) or donate it in accordance with State and local health/safety regulations.

Section 3:

USDA Fresh Fruit & Vegetable Program

– A Handbook for Schools (updated Dec. 2010)

- A full copy of the Handbook is provided in this section. If updated over 2013-2014, the revised copy will be available at: http://www.michigan.gov/mde/0,1607,7-140-43092_50144---,00.html



FRESH FRUIT & VEGETABLE **PROGRAM**

A Handbook for Schools

Fresh Fruit and Vegetable Program

A Handbook for Schools

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To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

December 2010

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Introduction

The Fresh Fruit and Vegetable Program (FFVP) provides all children in participating schools with a variety of free fresh fruits and vegetables throughout the school day. It is an effective and creative way of introducing fresh fruits and vegetables as healthy snack options. The FFVP also encourages schools to develop partnerships at the State and local level for support in implementing and operating the program.

The Goal of the FFVP

Create healthier school environments by providing healthier food choices

- Expand the variety of fruits and vegetables children experience
- Increase children's fruit and vegetable consumption
- Make a difference in children's diets to impact their present and future health

This program is seen as an important catalyst for change in efforts to combat childhood obesity by helping children learn more healthful eating habits. The FFVP introduces school children to a variety of produce that they otherwise might not have had the opportunity to sample.



Program History

Farm Security and Rural Investment Act of 2002

The Fresh Fruit and Vegetable Program began as a pilot project authorized by Congress in 2002. The pilot provided funds to purchase fresh fruits and vegetables in four States (Indiana, Ohio, Michigan and Iowa) and an Indian Tribal Organization (ITO) (New Mexico) for School Year 2002-2003. The purpose of the pilot was to determine the best practices for increasing fruit (both fresh and dried) and fresh vegetable consumption.

Child Nutrition and WIC Reauthorization Act of 2004

The success of the pilot led to the enactment of legislation in 2004 to expand the Fresh Fruit and Vegetable Program and to make it a permanent program under the National School Lunch Act. The law added four additional states (Washington, North Carolina, Mississippi Pennsylvania and two ITOs (one in Arizona and one is South Dakota) for School Year 2004-2005.

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006

This Act appropriated one-time funding of \$6 million to further expand the Fresh Fruit and Vegetable Program in six additional States.

Consolidated Appropriations Act of 2008

The Consolidated Appropriations Act of 2008 expanded the FFVP nationwide and provided approximately \$9.9 million to begin program operations for School Year 2008-2009.

The Food, Conservation, and Energy Act of 2008 (Farm Bill)

The Food, Conservation and Energy Act of 2008 amended the Richard B. Russell National School Lunch Act by adding section 19, *the Fresh Fruit and Vegetable Program*. Section 19 permanently authorizes the program nationwide, and provides significant funding increases, beginning with \$40 million in FY 2009 and growing to \$150 million and adjusted by annual changes in the Consumer Price Index (CPI).

Program Administration



The U.S. Department of Agriculture's Food and Nutrition Service (FNS) administers the Fresh Fruit and Vegetable Program (FFVP) at the federal level. At the State level, the FFVP is administered by the State agency that administers the National School Lunch Program. In administering the program, States must keep in mind direction from Congress which provides that the purpose of the program is to make available free fresh fruits and vegetables to children.

Selected schools receive reimbursement for the cost of making free fresh fruits and vegetables available to students during the school day. These fresh fruits and vegetables must be provided separately from the lunch or breakfast meal, in one or more areas of the school during the official school day.

All schools that participate in the FFVP are required to widely publicize within the school the availability of free fresh fruits and vegetables.

Meal Accommodations for Students with Disabilities

If a child's disability prevents them from consuming fresh fruits and vegetables as prepared, the school must provide accommodations as they would for other school meals. Schools must consider how the requirement may be applied in the operation of the FFVP. For example, in providing accommodations for the FFVP, schools may have to modify texture. In doing so, schools should consider starting with fresh items and avoid pureeing canned or frozen fruits and vegetables, including baby foods. In most instances, fresh fruits can be pureed; we recognize that this is not always the case for vegetables. Fresh vegetables should be used when feasible but may be cooked and then pureed when needed.

The pureeing of fresh produce for students with disabilities must be done within the constraints of their medical requirements as allowed by their physician. However, schools should make sure that both the parent and the child's doctor are aware of the program and its intent to provide fresh produce in order to determine if the fresh items are an acceptable choice for texture modifications.

FFVP Funds for State Agency Administration

The law permits State agencies to retain a portion of their total FFVP grant allocation for State administrative costs. When budgeting FFVP administrative funds, States should include yearly training for all FFVP School Food Authorities/schools and keep FFVP schools apprised of any updates to the Program.

School Selection Criteria

Section 19 of the National School Lunch Act requires that schools with the highest free and reduced price enrollment be given priority for participation in the FFVP. This is the key selection criterion, which ensures that the Program benefits low-income children that generally have fewer opportunities to consume fresh fruits and vegetables on a regular basis.

To determine the schools with the highest free and reduced price enrollment, States may use the school data reported each October. States may also choose another month provided the same month is consistently used throughout a State.

This criterion cannot be waived to give all schools in a state an equal chance to participate in the Program or to provide geographic dispersion. To be selected for the FFVP, a school must

- Be an elementary school
- Represent the highest percentage of students certified for free and reduced price benefits
- Participate in the NSLP
- Complete an annual application for the FFVP (*see school applications below*)

The application review process must select schools representing the highest percent of students certified for free and reduced price benefits. An eligible high need school should be afforded every opportunity to complete an application to participate in the Program. A state can choose not to select a high need school *if* the

- School fails to meet the deadline for application completion
- School does not have the support of its administration
- State has concerns with the school's administration of another child nutrition program

- State believes the school cannot properly operate the FFVP, *despite previous support from the State*

The total enrollment of all schools selected in the State must result in a per-student allocation of \$50-\$75 per year. Below is an example that determines the number of students that can participate in the Program within the required per student allocation range.

\$174,005	July allocation (Max of 25% of total school year allocation)
<u>\$522,215</u>	October allocation
\$696,220	Total for School Year
<u>\$ 21,000</u>	Administrative funds retained by State
\$675,220	Available to schools

Range of students that can participate:

$\$675,220 / \$50 = 13,504$ students

$\$675,220 / \$75 = 9,002$ students

After the range of students that can participate has been determined, States should determine the per-student dollar amount they want to achieve.

Outreach to Low-Income Schools

States must conduct outreach to the elementary schools with the highest percentage of students certified for free and reduced-price benefits and should do all they can to ensure that the FFVP reaches these elementary schools. States that have a large number of elementary schools at or above 50 percent certified for free and reduced price benefits than could possibly be funded through the FFVP may choose to target just those schools with the highest need.

States must conduct outreach to their neediest schools before they select any school for participation in the program. High need schools should be aware that if they apply, they will likely be chosen to participate in the Program.

States will assist high need schools in submitting an application as part of the State's outreach efforts.

Please reference policy memorandum, [Fresh Fruit and Vegetable Program \(FFVP\) Targeted School Selection and Outreach Process](http://www.fns.usda.gov/cnd/governance/Policy-Memos/2010/SP_10-2010_os.pdf), found at: www.fns.usda.gov/cnd/governance/Policy-Memos/2010/SP_10-2010_os.pdf.

School Applications

State agencies must *solicit* applications from elementary schools representing the highest need within the State. Each school that participates in the FFVP must submit an application that includes, at a minimum

- The total number of enrolled students and the percentage eligible for free/reduced price meals
- A certification of support for participation in the FFVP signed by the
 - School food service manager, school principal, *and* district superintendent (or equivalent position)
- A program implementation plan that includes efforts to integrate the FFVP with other efforts to promote sound health and nutrition, reduce overweight and obesity, or promote physical activity

It is recommended that each school include a description of partnership activities undertaken or planned. Schools are encouraged to develop partnerships with one or more entities that will provide non-Federal resources, including entities representing the fruit and vegetable industry and entities working to promote children's health in the community.

The application process must be conducted by the State agency every year. However, at the discretion of the State agency, schools that are reapplying and are accepted to the Program based on their continued high need would be allowed to update the information the State agency has on file rather than submit a new application package. Updates could include a new plan for program implementation, changes in enrollment numbers and free and reduced price percentages.

How It Works

Reimbursement for the FFVP is similar to other Child Nutrition Programs. Schools submit a monthly claim and are reimbursed by the State agency for purchases of fresh fruits and fresh vegetables served free to children during the school day. Within basic requirements, the FFVP gives your school the flexibility to develop your own implementation plan, involve teachers and other school staff, work out problems, and reach your own solutions. Your school decides when, where, and how you want to implement the FFVP, and what mix of fresh fruits and vegetables you want to offer your children.



School Selection

To be selected to participate in the Fresh Fruit and Vegetable Program, your school must

- Be an elementary school
- Have a high percentage of children eligible for free and reduced price benefits
- Make free fresh fruits and vegetables available to all *enrolled* children
- Provide fresh fruits and vegetables only during the school day (not before or after school or during summer school)
- Widely publicize within the school the availability of free fresh fruits and vegetables
- Have documented support of the food service manager, principal and district superintendent
- Serve free fresh fruits and vegetables outside of the NSLP and SBP meal periods

USDA encourages:

- Every effort to provide fresh fruits and vegetables a minimum of twice a week as repeated exposure to new foods is a key to acceptance
- A variety of implementation strategies
- Complementary nutrition education

As a participating school you:

- Receive funds based on an allocation of \$50- \$75 per student
- Submit a monthly claim for reimbursement
- Must operate the NSLP
- May use no more than 10% of your school's total grant for administrative costs
- Receive reimbursement for the costs of purchasing, preparing, and serving fresh fruits and vegetables to children in your school

To ensure the FFVP runs smoothly, your school should:

- Establish an implementation or operational plan for your school that addresses “who does what and where?” to ensure all operational guidelines are followed
- Establish a monthly budget to assist you in tracking funds and ensure timely expenditures of program funds
- Pay attention to program logistics, right from the start, to make sure food service and other school staff understand how the FFVP works
- Establish partnerships on a local level with grocers, Health Departments, or extension service. State or national level partnerships can also be very helpful
- Incorporate nutrition education into the daily curriculum, preferably during the service of fresh fruits and vegetables
 - Be aware of other purchasing avenues for fresh produce; schools may use their current vendors or try other vendors such as

- DoD-Fresh (the Department of Defense's Fresh Fruit and Vegetable Program)
- Farm to School Initiative
- Local producers
- In all situations proper procurement procedures must be followed
- Be familiar with proper handling and storage of fresh produce to prevent spoilage and loss
- Be familiar with all Food Safety and Hazard Analysis and Critical Control Point (HACCP) principles for fresh produce
- Process reports on time, retain records, and comply with all other paperwork and reporting requirements

Best Practices

- Anticipate the need for staff to prepare and deliver food and to process reports and other paperwork
- Coordinate efforts to inform principals, teachers, school staff, children, and parents about the Fresh Fruit and Vegetable Program
- Respond to reports from custodians about trash and messes
- Determine the appropriate types of produce to serve and the appropriate portion sizes
 - Keep in mind that the appropriate type of produce and portion size will depend on student age and preference as well as the ways you offer fruits and vegetables
- Identify with your stakeholders the best methods for distributing and promoting fruits and vegetables to your students
- Solicit free nutrition education materials from State, local and federal partners

Who Can Receive Fruits and Vegetables



The Fresh Fruit and Vegetable Program is for all the children who normally attend your school. Any child who is considered a member of the school and who is present during the service of fruits and vegetables may participate.

Children attending a Child Care Center, Head Start program or a split-session kindergarten class located in a FFVP school may also participate if they are considered *enrolled* in the participating school and are in school on the days the program is offered.

Adults at a school including those attending school functions cannot participate in the Fresh Fruit and Vegetable Program. However, teachers can play a valuable role in modeling

positive eating habits by consuming fruits and vegetables along with their students. Teachers may participate under the *following conditions*

- Only teachers who are directly responsible for serving the fruit or vegetable to their students in a classroom setting may partake of the fruit and/or vegetable
- The FFVP is not available to the general teacher population and other adults in the school
- Teachers choosing to participate with their students are strongly encouraged to include a nutrition education component to enhance their positive role modeling
- No additional FFVP funds will be provided; schools must stay within their per student allocation

Please note that this policy does not allow teacher or administrator fruit baskets, which were incorrectly purchased by some schools for promotional purposes when FFVP was initially implemented. Free fruits and vegetables are intended for all children enrolled in participating schools and cannot be used as gifts or rewards. You cannot withhold fruits and vegetables as a form of discipline.

Best Practices

Teachers serving fruits and vegetables to their students can model healthful eating habits by participating with their students and including a nutrition education lesson.

Teachers can help monitor and direct the food distribution, and use the opportunity to talk with students about nutrition, health, hygiene and manners.

Serving Fruits and Vegetables

Your school has the flexibility to schedule FFVP during the school day (and at school activities during the school day) for students at a participating school.

The Best Time

Many schools serve fruits and vegetables multiple times during the school day so students have more access to fruits and vegetables.



Fruits and vegetables may only be served during the school day (i.e., not before school or during afterschool programs). This provides an opportunity to incorporate a nutrition lesson along with the service of produce.

The FFVP cannot be served during the National School Lunch or School Breakfast Programs' reimbursable meal service periods.

The FFVP *cannot* be served as part of summer school sessions.

The FFVP may be provided during a "year-round school's" summer session as this is considered part of the regular school year. Multiple distribution times may be used and may be the best way to maximize participation.

The Best Places

The most successful distribution areas for the FFVP will be places where children can easily consume the fruits and vegetables.

The techniques you use to distribute fruits and vegetables will depend on a number of factors. Consider grade level, maturity of your students, time available to eat the fruits and vegetables, time required for preparation and service of fresh fruits and vegetables, extra clean-up, garbage concerns and staffing issues.

Schools can offer the FFVP to children through a variety of distribution methods.

- Inside classrooms
- In hallways
- At kiosks
- In free vending machines
- As part of nutrition education activities

Best Practices

Most schools use classrooms or a combination of classrooms and kiosks to deliver fruits and vegetables to children.

Offering fruits and vegetables to children in the classroom helps reduce messes, deal more effectively with disruptive behavior, and make the most of learning time. To minimize interruptions to learning, incorporate eating with classroom activities during silent reading or nutrition education (e.g., study the “fruit of the day” in geography, science or math).

Kiosks allow you to offer more choices and provide easy access. Consider staggering access to lessen confusion in hallways. Be sure to serve fruits and vegetables in a manner that can be handled easily.

Vending machines may also optimize distribution of fruits and vegetables. Select fruits and vegetables that are suitable for vending machine distribution and allow adequate time and staff for restocking.

To help your school’s FFVP run smoothly, develop guidelines to remind children of good manners when they receive and eat their fruit and vegetable snacks, and to dispose of their trash. Setting policies on trash disposal and clean up will improve the fruit and vegetable service.

When you plan your program, try to create serving areas that will encourage children to enjoy eating their snacks, while lessening your concerns about the potential for messes.

Providing a nutrition education component while serving fresh fruits and vegetables is the ideal way to introduce and reinforce good eating habits.

Which Fruits and Vegetables to Purchase and Serve



The FFVP introduces children to new and different fresh fruits and vegetables, like kiwi, star fruit, pomegranate, rutabaga, and kohlrabi. Fruits and vegetables are good low-calorie, low-fat sources of vitamins, minerals, and fiber. The FFVP shows children that fresh fruits and vegetables are healthy and tasty alternatives to snacks high in fat, sugar, or salt.

The produce you serve should be presented in such a way that it will be easily identified or recognized for what it is. Encourage children to enjoy fruits and vegetables as they are. Children should be able to connect to fruits like juicy ripe peaches and tart crunchy apples (*without dips* or flavor additives), or vegetables like crunchy sweet sugar snap peas, or asparagus.

Remember when purchasing for the Program the goal is to serve a variety of fresh fruits and vegetables in their natural state and without additives. Dicing and slicing into smaller pieces for ease of service, as well as the addition of ascorbic acid is acceptable.

The FFVP provides schools the opportunity to purchase exotic fruits or vegetables that are not available locally or that are not domestically grown. When purchasing such items always follow proper procurement procedures and the Buy American provision.

FFVP Does *Not* Allow

- Processed or preserved fruits and vegetables (i.e., canned, frozen or dried)
- Dip for fruit
- Fruit or vegetable juice
- Snack type fruit products such as fruit strips, fruit drops, fruit leather

- Jellied fruit
- Trail mix
- Nuts
- Cottage cheese
- Fruit or vegetable pizza
- Smoothies
- Fruit that has added flavorings including fruit that has been injected with flavorings
- Carbonated fruit
- Most non-food items, except those allowed under administrative/operational costs

FFVP Limits

- Dips for vegetables
 - If you choose to serve dip with vegetables, make sure to only offer low-fat yogurt-based or other low-fat or non-fat dips
 - The amount used should be what is commonly noted as a “serving size” for condiments, as shown on Nutrition Facts Labels: 1 to 2 tablespoons
- Service of “prepared” vegetables
 - *Fresh* (not canned, frozen, dried or otherwise processed) vegetables that are cooked, must be limited to once-a-week and must always include a nutrition education lesson related to the prepared item

If you have any questions about which fruits and vegetables to purchase for the FFVP, contact your State agency for guidance and technical assistance *before* making purchases.

What Your School Should Do

- Adjust your selection of fruits and vegetables to purchase and serve more of your students' favorites, but continue efforts to introduce new items
- Be sure fruits and vegetables are appealing and easy to grab
 - If necessary, pre-cut the produce to make them easier, more appetizing, and not as messy for younger children
- If using dips for vegetables, use a "serving size" that provides only enough to encourage children to eat the vegetables
- Introduce children to different varieties of a fruit (e.g., Bartlett, Bosc, and Seckel pears) or a vegetable (bell, sweet banana, and Poblano peppers)
- Consider pre-cut fruits and vegetables and prepared trays in order to control labor costs and handle lack of extra storage space
- Offer whole fruits on days when staff cannot prepare trays of pre-sliced fruits or vegetables

One goal of the FFVP is to expand the variety of fruits and vegetables your students consume. Try "sample sizes" to introduce new items and then adjust your ordering accordingly. To the extent possible, you should not limit the choices you offer. Find innovative and fun ways to encourage your students to try different foods.

How Schools Purchase Fruits and Vegetables



FFVP schools must follow proper procurement procedures. Produce must always be graded and inspected according to existing local, State and Federal guidelines. Finding suitable vendors or suppliers that provide a reliable supply of produce has been a challenge for a number of schools. Many schools purchase fruits and vegetables from food wholesalers or brokers. The vendors deliver shipments of fresh produce directly to the schools.

Local grocery stores and other retailers are not only good suppliers of fruits and vegetables, but also might be valued partners for free nutrition education and promotion activities.

You can support local agricultural producers by buying fresh produce at farmers' markets, orchards, and growers in your community. Remember: produce purchased with FFVP funds is meant to be used in the FFVP only. It cannot be used in the National School Lunch or School Breakfast Programs. When you are purchasing fresh produce, including produce from local vendors, proper procurement procedures must be followed.

The Food, Conservation, and Energy Act of 2008 (P.L. 110-246) amended the National School Lunch Act to allow institutions receiving funds through the Child Nutrition Programs to apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products (effective October 1, 2008).

- While the legislation permits institutions to apply a geographic preference to purchase locally grown and locally raised agricultural products to the maximum extent practicable and appropriate, it *does not require* institutions to do so
- States cannot mandate, through law or policy, that institutions apply a geographic preference when conducting these procurements
 - This decision is left to the discretion of each local institution

- Geographic preference may *only* be applied to the procurement of unprocessed agricultural products, locally grown and locally raised
- The memorandum, [SP 08-2010: Geographic Preference for the Procurement of Unprocessed Agricultural Products in the Child Nutrition Programs](#), issued November 13, 2009, provided additional clarification for the Child Nutrition Programs
 - The geographic preference provision applies to the FFVP *only* within the framework and requirements of the FFVP (i.e., produce in the FFVP must be *fresh*)
- Schools in the FFVP can choose to apply a geographic preference in the procurement of *fresh* fruits and vegetables for the program
 - Already sliced and bagged items are permissible (but not frozen or dried)

As with other school meal programs, plan to reduce waste. Follow your local board of health/local public health department guidelines for handling leftovers. If you cannot easily use the leftovers in the FFVP, you may be able to use them in your school meal programs – but only to avoid waste. Plan to use the fruits and vegetables purchased with FFVP funds as part of the FFVP.

Procurement Procedures

The “Buy American” requirement in the National School Lunch Program (as provided in 7 CFR 210.21(d)) applies to purchases made with FFVP funds. Produce such as bananas, which are generally not available as a domestic product, may be purchased even though they are not domestic. Schools needing additional guidance on specific purchases and how an item would be affected by the Buy American provision should contact their State agency for assistance. Schools may

- Order through *DoD-Fresh*, the Department of Defense’s Fresh Fruit and Vegetable Program
 - *DoD-Fresh* uses a large network of produce suppliers to distribute a wide variety of American-grown fresh produce directly to schools
 - Deliveries are frequent and on time, and the cost is reasonable
- Buy produce from your local grocery stores and farmers’ markets, or contact conventional and organic growers, and distributors

- Support farm-to-school projects by purchasing fresh fruits and vegetables from growers and farmers in your community
 - Farm to school projects are collaborations between farmers and schools that increase your access to fresh, local farm products, and expand market opportunities for family farms
 - Information on the Farm to School (F2S) initiative is found at www.fns.usda.gov/cnd/F2S/Default.htm

To review current policy on local procurement and geographic preference, please reference policy memorandum, [Geographic Preference for the Procurement of Unprocessed Agricultural Products in the Child Nutrition Programs](#), at

www.fns.usda.gov/cnd/governance/Policy-Memos/2010/SP_08_CACFP_05_SFSP_06-2010_os.pdf

Nutrition Education in the FFVP

The focus of the FFVP is to bring fresh produce into the school for distribution to children. For too many children, the produce they see in school might be their first exposure to fresh fruits and vegetables, and the only ones they see that day. That is why nutrition education is critical to the program's success.



Providing nutrition education can also help schools reach their goal of a healthier school environment and is a component of several important agency programs and initiatives such as

- A school's Wellness Policy
- Becoming a Team Nutrition School
- Meeting the HealthierUS School Challenge

What should you do in your school?

- Develop nutrition education activities that fit your students
- Use free resources and educational materials available to schools from
 - USDA's Team Nutrition (e.g., [Fruits & Vegetables Galore: Helping Kids Eat More](#))
 - State Fruit and Vegetable Coordinators
- Check out the U.S. Department of Health and Human Services under the Centers for Disease Control and Prevention for nutrition related information focusing on children, for example, BAM!-Body and Mind
- Visit [TeamNutrition.usda.gov](#), [MyPyramid.gov](#), and [www.fns.usda.gov/cnd](#) for more information about the FFVP

- Include nutrition education whenever possible, especially during the service of fresh fruits and vegetables and even on days when the Program is not offered
- A cooked, fresh vegetable dish can only be provided once a week and must include a nutrition education component
- Adapt lesson plans to include nutrition education
- Consult with FFVP partners to obtain no cost promotional items such as informational fliers, pamphlets, posters, banners and buttons
- Have students create fruit and vegetable posters to decorate classrooms and serving areas
- Use student address systems and student broadcasts to share educational information about the importance of healthy eating
- Promote the FFVP on monthly menus that are sent to parents
- Add a monthly newsletter that addresses nutrition education and the benefits of fresh fruits and vegetables
 - Include the students by having them create and publish the newsletter

Reimbursable Costs



Program costs are broken out into two categories: operating and administrative. However, the allowable costs under these categories may be *different* from those in the National School Lunch Program.

The operating and administrative categories each allow labor and equipment costs. Equipment listed under administrative costs should be larger equipment purchases where as equipment under operating costs are the smaller equipment purchases.

Please keep in mind that most of a school's FFVP funds must go toward purchasing fresh fruits and vegetables. All non-food costs must be carefully reviewed and deemed reasonable, given the extent of program operations (e.g.,

daily vs. twice a week and produce that is served whole versus sliced and put in containers).

If schools purchase equipment for the FFVP, they must provide written justification to support the purchase. For example, the justification should explain the need for additional equipment, why the current equipment is not sufficient for FFVP operations, how many times the FFVP program will be offered each week, how many times deliveries are received each week/month and any other information that will support the purchase.

Equipment purchased with FFVP funds that will be used in other school feeding programs must be **prorated** among the programs. The FFVP represents a small program and therefore the funds claimed under the FFVP should represent the smaller portion.

State agencies have the discretion to determine the level of detail they want for smaller equipment purchases, dishes, and disposable supplies such as napkins, paper plates, and plastic bags.

Labor costs in either the "operating or administrative" category must be minimal. SFA/State agencies must, as part of their review process, review these costs and as appropriate work with schools reporting high costs in these categories. Volunteer parents or students can help to reduce these costs.

Operating Costs

Operating costs are the costs of running your FFVP service. These are your documented expenses for acquiring, delivering, preparing, and serving fruits and vegetables. They include the FFVP portion of the goods and services your school pays for

- Buying fruits, vegetables, low-fat or non-fat dip for vegetables only
- Buying nonfood items like napkins, paper plates, serving bowls and trays, cleaning supplies, and trash bags
- Value added services such as pre-cut produce, ready-made produce trays, and delivery charges
- Salaries and fringe benefits for employees who do such tasks as washing and chopping produce, preparing trays, distributing produce to classrooms, setting up kiosks, restocking vending machines, and cleaning up

Administrative Costs

School administrative costs are limited to 10 percent of your school's total FFVP grant. Schools must not exceed this limit.

School administrative costs are the documented expenses you have for planning the Program, managing the paperwork, obtaining the equipment you need, and all other aspects of FFVP that are not related to the preparation and service of fruits and vegetables.

Administrative costs include the FFVP share of

- Purchasing or leasing equipment such as refrigerators, coolers, portable kiosks, carts, and portable food bars (remember to prorate as appropriate)
- Salaries and fringe benefits for employees who compile and maintain claims for reimbursement and other financial reports, plan and write menus, order produce, track inventory, and coordinate nutrition promotion activities

What should schools do to ensure that the FFVP runs smoothly?

- Prorate costs: only the FFVP portion of expenses can be charged to the FFVP
- Budget carefully to stay within the 10 percent limit on administrative costs

- Make sure your expenses are reasonable and support the Program's goals
 - For example, fruit baskets distributed to families, taken home by students during breaks or given to school personnel are not allowable expenses

If you have doubts about whether a specific cost is allowable, contact your State agency to discuss it with them, prior to incurring such costs.

Paperwork

Participating in the FFVP requires you to follow reporting and record keeping requirements that are similar to those for the National School Lunch Program. Here are some key points for schools to remember



- Participate in training provided by your State agency
 - School staff must be trained on FFVP requirements and report forms before each new school year
- Complete and submit a *monthly FFVP reimbursement claim* form (or similar reporting mechanism from your State) to claim reimbursement
 - The claim form should identify monthly school purchase data for the FFVP
- You are responsible for ensuring that all claims are correct and appropriate
 - Include only those costs related to the FFVP on your claim form
 - Reminder: claims should be filed on time
- States should follow FNS 60/90 day guidance when approving claims (especially late claims)
- Maintain full and accurate FFVP records in your files
 - Your school must keep these for a period of three years (after the end of the fiscal year to which they pertain)
 - Records must be kept longer if your school has any unresolved audit findings
- Schools should follow procedures similar to those in the school nutrition programs when submitting claims for reimbursement

- Claim forms should be submitted to the SFA for review
- The SFA may then submit a consolidated claim form to the State agency

State Reporting

Financial reporting for the FFVP will be conducted via the Food Programs Reporting System (FPRS). The SF-425 for the FFVP has been set up in FPRS for all States. The SF-425 report must be submitted electronically on a quarterly basis.

Recordkeeping

The recordkeeping requirements for the FFVP are similar to other Child Nutrition Programs.

Program Oversight and Monitoring

It is critical that State agencies and SFAs make every effort to ensure FFVP is operating properly in participating schools, especially those new to the program. State agencies and SFAs should

- Review FFVP claims for reimbursement submitted by participating schools to ensure that expenditures are appropriate prior to providing reimbursement
 - Majority of funds are used to purchase fresh produce
 - Equipment purchases are carefully reviewed and prorated
 - Labor costs and all other non-food costs are minimal
- Ensure FFVP schools are reviewed as part of the Coordinated Review Effort (CRE) process, or other oversight or monitoring activity related to the National School Lunch or School Breakfast Programs
- Avoid issues early on by making every effort to contact schools not scheduled for oversight activity to ensure that the Program is being implemented according to the statute and guidance issued by FNS

Best Practices

Keep a file that contains

- Policy Memoranda
- Addendums
- Contact information for each participating school
- Invoices
- Monthly claims
- Purchase order information
- Vendors/Local farmers

Encouraging Success

Your State agency provides considerable support and encouragement to schools and school food authorities in administering the FFVP. Oversight refers to a variety of methods of monitoring your school's ability to successfully manage the program, both during and between reviews. State and SFA oversight includes



- Keeping in contact about your school's operation of the FFVP
- Holding training sessions and workshops that include partners and others who can assist you
- Conducting onsite visits to assist in implementing and running the FFVP
- Providing technical assistance to answer your questions and concerns
- Ensuring you received and reviewed the information you need to manage and monitor FFVP in your school
- Encouraging your efforts to collaborate with state and local affiliates of FFVP's national partners
- Encouraging your promotion of nutrition education as a regular feature in school classrooms
- Reviewing claim forms
- Sharing information about your school's program among FFVP and financial management staff at the State agency
- Ensuring reports are submitted on time

FFVP Toolkit

Review the FFVP Toolkit at www.fns.usda.gov/cnd/FFVP/toolkit.htm for ideas on creating a successful program.

Partnerships

Outside support, collaboration, and partnerships have been essential elements of Fresh Fruit and Vegetable Program success. State, local, and private partners have helped schools better manage the FFVP, resolve logistical challenges of the program, and obtain educational materials for promoting nutritious food choices in and out of the classroom.

Collaborate with State and Local Affiliates

- State Fruit and Vegetable Coordinators (formerly 5-A-Day)
- Produce for Better Health



Encourage Cooperation and Commitment from Partners

- Administrators
- Teachers
- Food service staff
- School nurses
- Custodial staff
- Parents
- Parent Teacher Association
- Student government

Develop New Partnerships

- State and National affiliates of the American Cancer, Diabetes, Dietetic and Heart Associations and School Nutrition Association
- Community Health Agencies
- County and State health and agriculture departments
- Dietitians and dietetic interns
- Extension agents
- Hospitals
- Local grocers and stores
- Vocational clubs
- Produce associations/commodity groups
- Nutrition trade associations
- Health associations
- Food distributors

Food Safety in the FFVP

Preventing or reducing the risk of food-borne illness or injury by contaminated fruits and vegetables is a priority in the FFVP.



Best Practices

- Train food service employees who prepare or serve food on how to properly wash and store fresh fruits and vegetables
- Establish procedures for receiving and storing fresh produce
- Wash hands using the proper procedure
- Wash, rinse, sanitize, and air-dry all food-contact surfaces, equipment, and utensils that will be in contact with produce, including cutting boards, counter tops, knives, and sinks
- Follow manufacturer's instructions for the proper use of chemicals
- Wash all raw fruits and vegetables thoroughly before combining with other ingredients, including
 - Unpeeled fresh fruit and vegetables that are served whole or cut into pieces
 - Fruits and vegetables that are peeled and cut to use in cooking or served ready-to-eat
- Wash fresh produce vigorously under cold running water or by using chemicals that comply with the most recent FDA Food Code (packaged fruits and vegetables labeled as being previously washed and ready-to-eat are not required to be washed)
- Scrub the surface of firm-skin fruits or vegetables such as apples or potatoes using a clean and sanitized vegetable brush designated for this purpose
- Remove any damaged or bruised areas

- Label, date, and refrigerate fresh-cut items
- Serve cut melons within 7 days if held at 41 °F or below (see SOP for Date Marking, Ready-to-Eat, and Potentially Hazardous Food)
- Do not serve raw seed sprouts to highly susceptible populations such as preschool-age children
- Follow State and local public health requirements
- Please reference the new pamphlet from the FNS Food Safety Division, *Best Practices: Handling Fresh Produce in Schools*, found at: www.fns.usda.gov/fns/safety/pdf/best_practices.pdf

FFVP Questions and Answers

Funding

- 1) Question: Must FFVP State level administrative funds be tracked separately from other funding sources, such as SAE?

Answer: State agencies must be able to account for FFVP State administrative expenditures and to ensure proper and timely expenditure of funds. Whatever tracking method States have that will show these expenditures separately from other *State level expenditures is acceptable.*

- 2) Question: Should schools develop a budget for the FFVP?

Answer: It is prudent for schools to develop a budget in order to assist in the timely expenditure of funds and FNS strongly encourages schools to do so. While schools are not required to develop or submit a budget plan to their SA (unless required to do so by their SA), they should consider working closely with their SFA and SA to ensure funds are expended according to all guidance and program policy and in a timely manner.

- 3) Question: Can schools bid FFVP, NSLP and SBP purchases together?

Answer: Yes. However, schools must be able to demonstrate which items are purchased for the FFVP.

- 4) Question: Can schools purchase fresh fruits and vegetables from their own school gardens using FFVP funds?

Answer: Yes. The funds must accrue back to the school food service account. See our policy memoranda SP 32-2009, *School Garden Questions and Answers* for additional information.

www.fns.usda.gov/cnd/governance/Policy-Memos/2009/SP_32-2009_os.pdf.



- 5) **Question:** Can schools purchase from gardens located at other schools or other districts?

Answer: Yes. The funds must accrue back to the school food service account (reference #4).

- 6) **Question:** A school purchases equipment either with 100% FFVP funds or a percentage of funds (or an SFA on the part of a school(s)) but the following year, the school no longer participates in the FFVP. What happens to the equipment?

Answer: It is the responsibility of the SFA or SA to direct the disposition of equipment for those schools that no longer participate in the Program in keeping with existing guidance and the regulation at 7 CFR 3016.32(c)(1), and (e)(1) and (2). In general, when the equipment is no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency. (Please refer to the regulation, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* at 7 CFR 3016.32 for a detailed explanation.)

Any school requesting FFVP funds for equipment must provide justification for the equipment. The justification should include an explanation on why additional equipment is needed and why current equipment cannot suffice, the extent of the program, e.g. how many days a week the program is offered, and any other information that will support the request for additional equipment.

It is the intent that selected schools participate for more than one year so the SA is strongly encouraged to select schools that represent strong candidates for long term participation in the Program.

Schools requesting equipment that may be used in other programs must prorate the cost of the equipment among all programs that will use the equipment. Along with the equipment justification, schools must also indicate percent usage for the FFVP, and make sure to only claim that portion directly associated with FFVP operations.

Application

- 7) **Question:** At the discretion of the State agency, approved FFVP schools are permitted to update their application on file instead of submitting an entirely new application. What is meant by updated information?

Answer: Updating the information on file can include any changes from the previous year's application, e.g. changes to the eligible signatures, enhancements to the implementation plan, changes to enrollment numbers and consequently free and reduced price percentages.

Participation

8) Question: May adults participate in the FFVP?

Answer: Teachers may participate under the *following conditions*

- Only teachers who are directly responsible for serving the fruit or vegetable to their students in a classroom setting may partake of the fruit and/or vegetable
- The FFVP is not available to the general teacher population and other adults in the school
- Teachers choosing to participate with their students are strongly encouraged to include a nutrition education component to enhance their positive role modeling
- No additional FFVP funds will be provided; schools must stay within their per student allocation

Please note that this policy does not allow teacher or administrator fruit baskets, which were incorrectly purchased by some schools for promotional purposes when FFVP was initially implemented.

Non-Allowable Costs

9) Question: Is full strength/freshly squeezed fruit or vegetable juice allowed in the FFVP?

Answer: No. Juice is not allowed as part of the FFVP.

Miscellaneous

10) Question: Who can participate in State agency provided FFVP training?

Answer: The training should be for those in the food service department directly responsible for the FFVP operations and may also include the principal or vice principal.

11) Question: The FFVP cannot be provided during summer school. However, can year-round schools serve FFVP in the summer months?

Answer: Yes. Year round schools may participate during their June, July and August sessions.

12) Question: Are there limits on the type of benefits that schools can claim for reimbursement for those employees also working under the FFVP?

Answer: Schools can claim for reimbursement a prorated share of employee benefits for those that work on the FFVP.

Question: What are the requirements for schools to provide nutrition education?

Answer: FNS strongly encourages schools to provide nutrition education as a component of the FFVP. Providing nutrition education is part of helping schools create a healthier school environment. Nutrition education is a required component of several important programs and initiatives for schools such as creating a Wellness Policy, becoming a *Team Nutrition School* and, meeting the goals of the *Healthier US School Challenge*.